

National Credit Union Administration



Operating Fund

***Financial Highlights
November 30, 2013***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF NOVEMBER 30, 2013

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$45.3 million. Its balance decreased \$8.0 million in the month primarily for the payment of operating expenses. The cash position is considered to be sufficient to cover current and future obligations of the Fund.

Statements of Revenues, Expenses, and Changes in Fund Balance

Net income for the month was \$524,000 and net income year to date was \$1,187,000. Interest income on overnight investments has averaged 0.07% year-to-date, versus 0.11% during the same period last year.

Statements of Cash Flow

The cash position decreased \$8.0 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$278,000 was invested in new capital assets and \$112,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$13.2 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$12.0 million or 5.3 percent, compared to being under the year-to-date budget by approximately \$11.1 million or 5.1 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$0.7 million or 0.5%, travel was under budget by \$1.4 million or 5.6%, and the remaining expense categories combined were under budget by \$9.9 million or 24.6%.

The average annualized travel spend per FTE was \$21,473 this year, which is \$483 more than last year.

Vacancies

The Agency had 10 vacancies as of October -- down 5 from the prior month. The 10 vacancies represent 0.8% percent of total authorized staff of 1,262.50. November vacancies will be available December 16.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS

AS OF NOVEMBER 30, 2013 AND NOVEMBER 30, 2012

(Dollars in thousands)

	11/30/2013	10/31/2013	11/30/2012
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 45,330	\$ 53,316	\$ 47,235
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	78	92	176
EMPLOYEE ADVANCES	322	326	56
OTHER ACCOUNTS RECEIVABLE , Net	473	247	262
PREPAID EXPENSES AND OTHER ASSETS	1,976	1,764	1,551
ASSETS HELD FOR SALE	-	-	575
FIXED ASSETS — Net of accumulated depreciation of \$28,869 as of November 30, 2013	29,954	29,984	31,049
INTANGIBLE ASSETS — Net of accumulated amortization of \$13,027 as of November 30, 2013	<u>3,656</u>	<u>3,817</u>	<u>5,425</u>
TOTAL	<u>\$ 81,789</u>	<u>\$ 89,546</u>	<u>\$ 86,329</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 9,837	\$ 18,661	\$ 10,078
Obligations under capital leases	64	64	83
Accrued wages and benefits	8,850	8,195	11,880
Accrued annual leave	15,065	15,065	14,451
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>13,186</u>	<u>13,298</u>	<u>14,527</u>
Total Liabilities	47,002	55,283	51,019
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>34,787</u>	<u>34,263</u>	<u>35,310</u>
TOTAL	<u>\$ 81,789</u>	<u>\$ 89,546</u>	<u>\$ 86,329</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED NOVEMBER 30, 2013 AND NOVEMBER 30, 2012 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
REVENUES:				
Operating fees	\$ 85,353	\$ 81,398	\$ 7,759	\$ 7,400
Interest	27	44	2	6
Other	<u>1,186</u>	<u>1,281</u>	<u>86</u>	<u>220</u>
Total Revenues	86,566	82,723	7,847	7,626
EXPENSES, NET:				
Employee wages and benefits, net	63,785	61,253	5,480	5,107
Travel	9,273	8,912	925	798
Rent, communications, and utilities	1,603	1,701	90	178
Contracted services	6,591	5,215	546	442
Depreciation and amortization	4,911	5,853	470	528
Administrative	<u>(784)</u>	<u>(1,400)</u>	<u>(188)</u>	<u>(59)</u>
Total Expenses	<u>85,379</u>	<u>81,534</u>	<u>7,323</u>	<u>6,994</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	1,187	1,189	524	632
FUND BALANCE—Beginning of period	<u>33,600</u>	<u>34,121</u>	<u>34,263</u>	<u>34,678</u>
FUND BALANCE—End of period	<u>\$ 34,787</u>	<u>\$ 35,310</u>	<u>\$ 34,787</u>	<u>\$ 35,310</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED NOVEMBER 30, 2013 AND NOVEMBER 30, 2012 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 1,187	\$ 339	\$ 524	\$ (218)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	4,911	5,743	469	535
Provision for loss on disposal of employee residences held for sale	27	158	-	-
(Gain) loss on fixed asset retirements	10	107	-	(7)
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,962	1,006	14	(92)
Employee advances	(297)	(13)	4	(42)
Other accounts receivable	(262)	692	(226)	38
Prepaid expenses and other assets	(921)	(536)	(212)	(81)
(Decrease) increase in liabilities:				
Accounts payable	5,233	3,785	(8,824)	(7,166)
Accrued wages and benefits	(1,328)	2,585	655	745
Accrued annual leave	1,233	1,752	-	-
Accrued employee travel	(695)	(628)	-	-
Net cash provided or (used) by operating activities	<u>11,060</u>	<u>14,990</u>	<u>(7,596)</u>	<u>(6,288)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(1,835)	(3,181)	(278)	(66)
Proceeds from insurance on fixed assets	-	25	-	-
Purchases of employee residences held for sale	-	(995)	-	-
Proceeds from sale of employee residences held for sale	827	658	-	-
Net cash used by investing activities	<u>(1,008)</u>	<u>(3,493)</u>	<u>(278)</u>	<u>(66)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(1,229)	(1,229)	(112)	(112)
Principal payments under capital lease obligations	(14)	(15)	-	-
Net cash used by financing activities	<u>(1,243)</u>	<u>(1,244)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE OR (DECREASE) IN CASH AND CASH EQUIVALENTS	8,809	10,253	(7,986)	(6,466)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>36,521</u>	<u>36,982</u>	<u>53,316</u>	<u>53,701</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 45,330</u>	<u>\$ 47,235</u>	<u>\$ 45,330</u>	<u>\$ 47,235</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 229</u>	<u>\$ 268</u>	<u>\$ 19</u>	<u>\$ 23</u>

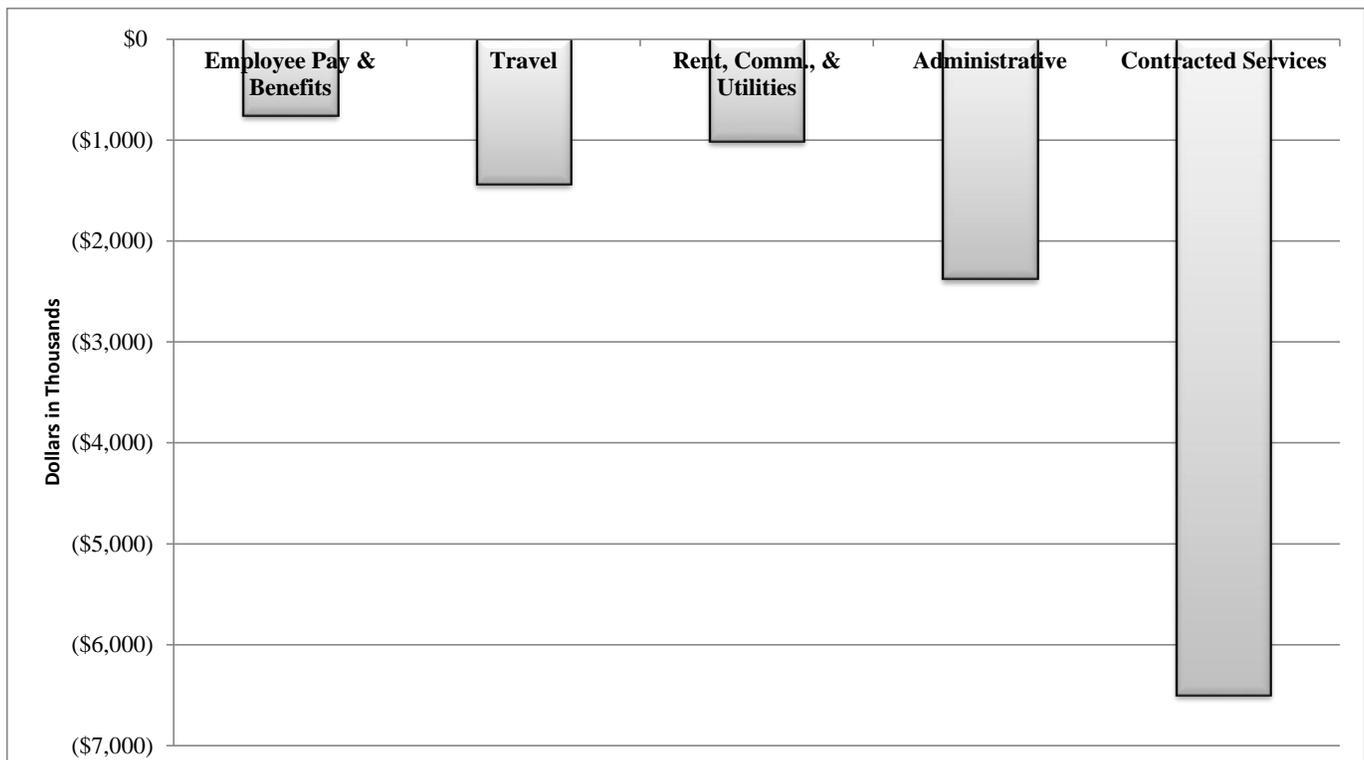
**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF NOVEMBER 30, 2013 AND NOVEMBER 30, 2012**

(Dollars in thousands)

	2013				2012			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	162,394	161,647	(747)	-0.5%	153,692	154,398	706	0.5%
Travel	25,359	23,931	(1,428)	-5.6%	25,222	22,704	(2,518)	-10.0%
Rent, Comm., & Utilities	4,929	3,922	(1,008)	-20.4%	5,207	4,185	(1,022)	-19.6%
Administrative	12,473	10,102	(2,371)	-19.0%	12,361	10,888	(1,472)	-11.9%
Contracted Services	22,752	16,262	(6,490)	-28.5%	19,749	12,954	(6,795)	-34.4%
TOTAL	227,908	215,863	(12,045)	-5.3%	216,230	205,130	(11,101)	-5.1%

Amount Over (Under) Budget

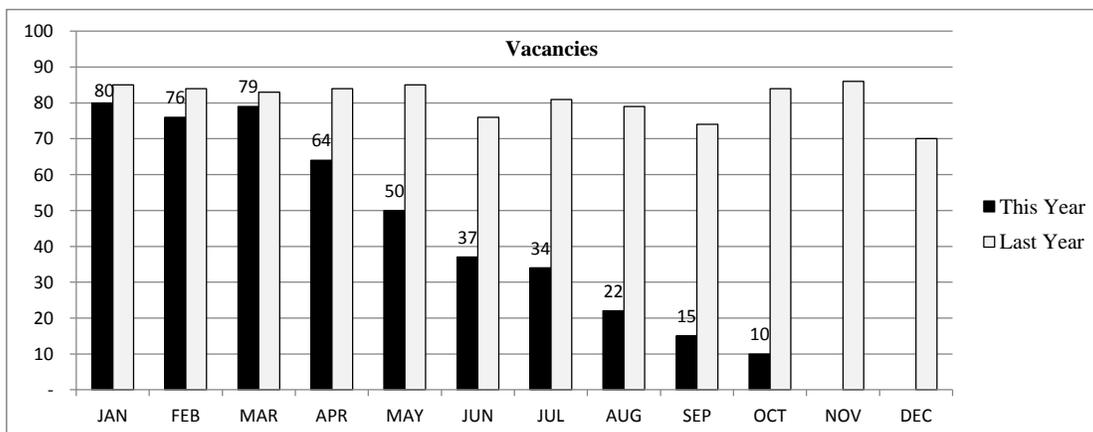
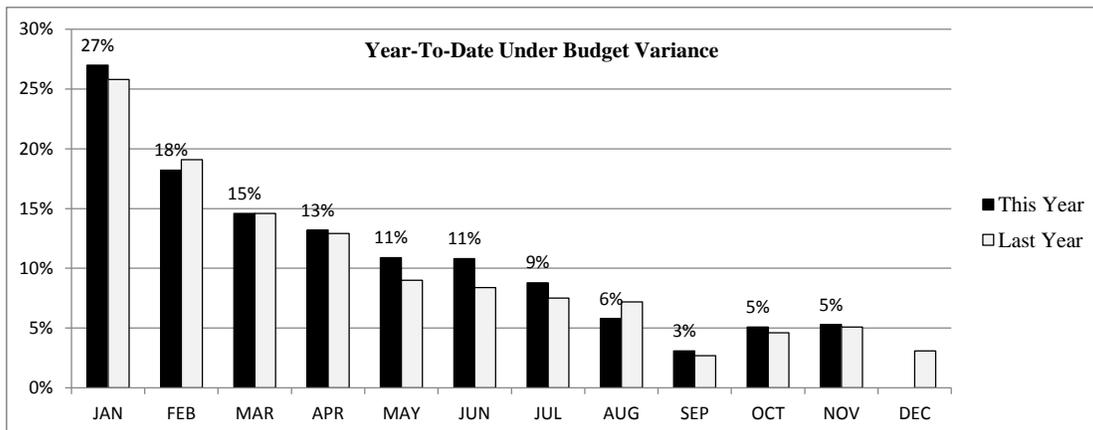
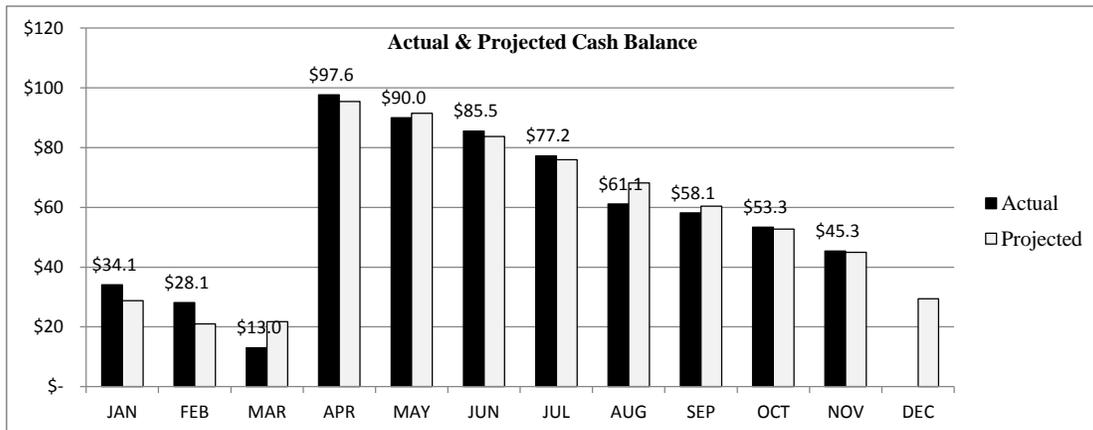


Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF NOVEMBER 30, 2013 AND NOVEMBER 30, 2012



	11/30/2013	11/30/2012
Retained earnings / Total assets	42.53%	40.90%
YTD interest income to average investments (annualized)	0.07%	0.11%
Annualized travel spend per employee	\$21,473	\$20,990
Net year to date cash inflow (outflow) in millions of dollars	\$9	\$10
Cash and overnight investments / Total assets	55.42%	54.72%
Overhead transfer rate	59.10%	59.30%

The count of vacant positions at November 2013 will be available December 16.